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## Development of Organizational and Economic Mechanisms for Attracting Investments in the Tourism Sector

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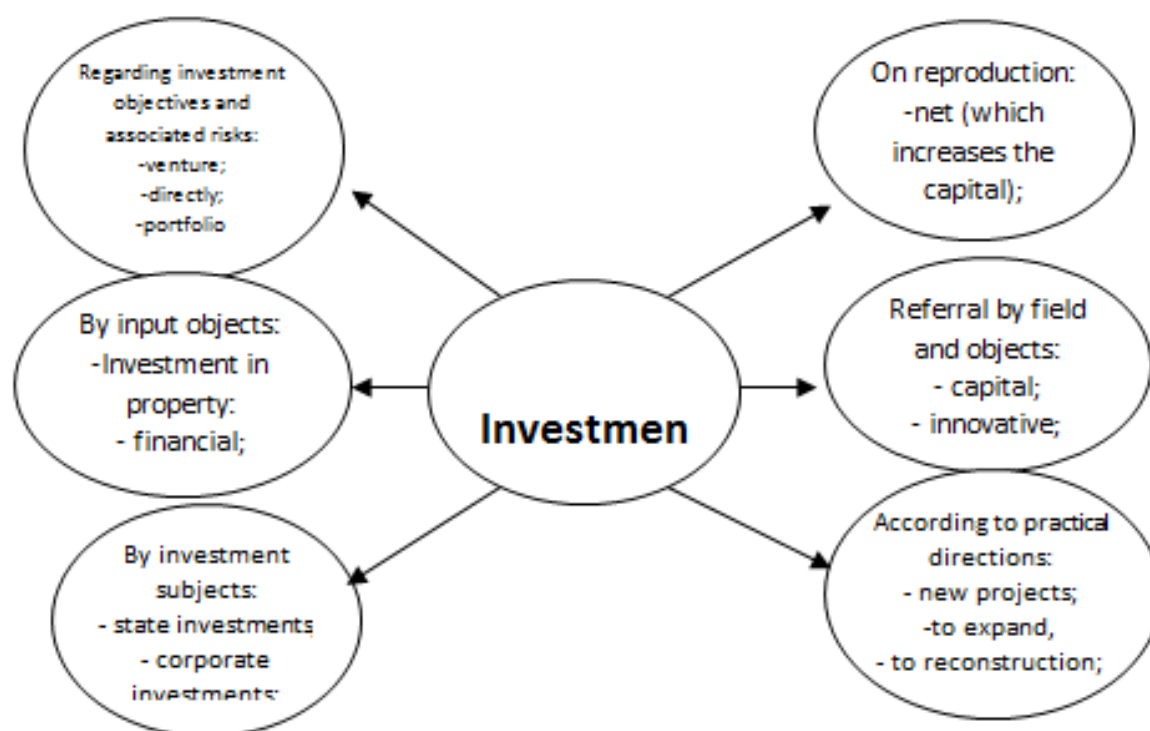
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**Abstract:** The article, we can solve many tasks related to the establishment of a developed market economy by adopting effective investment projects. It is written that its implementation will not only ensure the establishment of additional activities and production, but also increase the well-being of the population and increase the wealth of the state, and serve to increase its economic power.

**Key words:** Investments in tourism, economy, Foreign investors, Investment activity, tour operator, travel agent.

Ensuring rapid growth and achieving economic stability in our country requires attracting investments among a number of important measures. Because attracting investments is the most important and necessary process in eliminating the one-sided development complications that have been allowed in the economy of our republic for many years, conducting an effective structural policy, developing priority industries, and increasing the position of the private sector. At the same time, it should be noted that since the first years of independence, our government has paid great attention to the attraction of investments in economic sectors. The Government of Uzbekistan declared the year of 2020 as “The Year of Science, Education and Development of the Digital Economy” and is implementing the State Program, aiming at to liberalize the economy, improve market related incentives, encourage private enterprises. The impact of measures to deepen market reforms, liberalize the economy, and strengthen the protection of property rights was especially significant in the process of improving the investment environment in our country and attracting foreign investments.

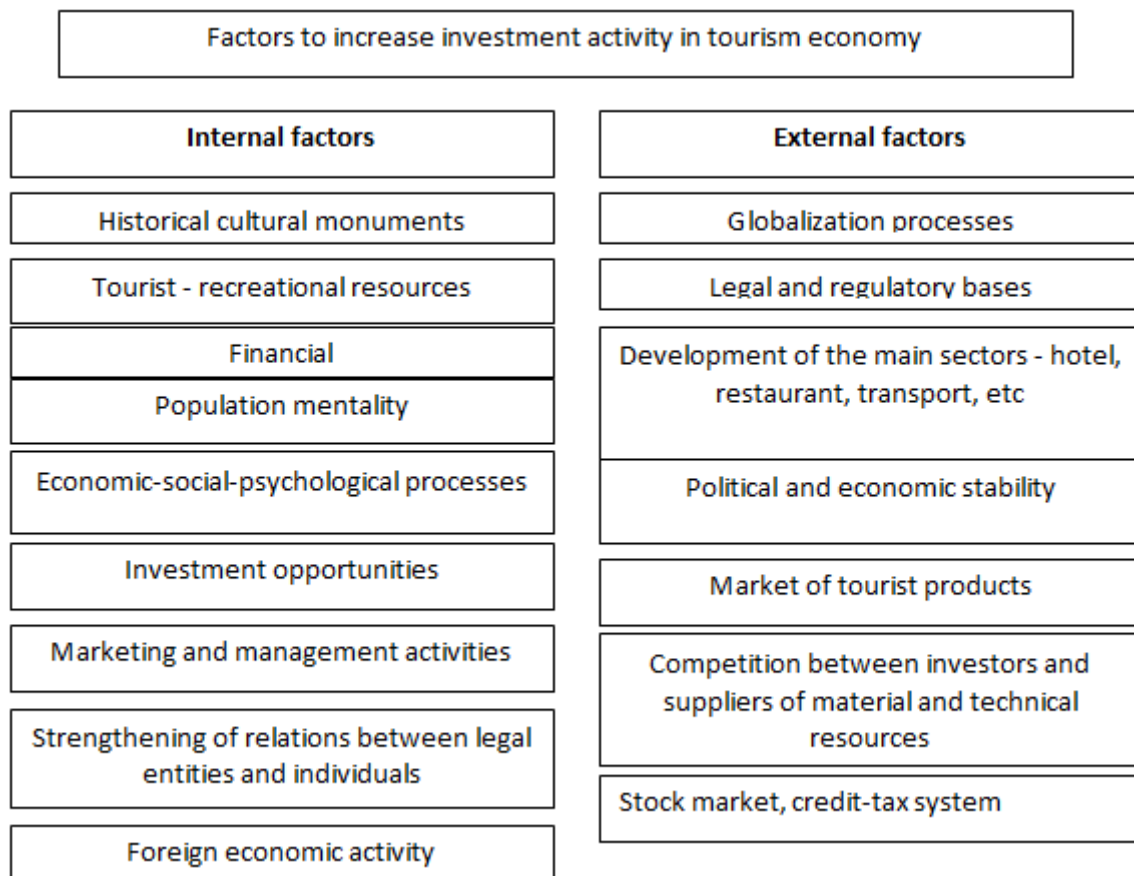


**Figure 2. Investments in different directions and grouping by subjects .**

In Uzbekistan, the legal and legal basis for the activities of foreign investors and foreign-invested enterprises has been created and is constantly being improved. The Law "On Foreign Investments" and the Law "On Guarantees and Measures for the Protection of the Rights of Foreign Investors" were adopted; in addition, a special law "On Investment Activities" was adopted.

A number of economic and legal frameworks were created in the short period after the independence in order to organize investment attraction in our country in accordance with the market economy. Laws of the Republic of Uzbekistan on investment activities, Presidential Decrees and a number of decisions and normative documents of the Cabinet of Ministers were adopted. Based on them, the process of attracting investments to the economy of the republic, including the national economy, was revived, and a certain investment environment was formed. In particular, the amount of investments allocated for the tourism economy is directly related to the activity of attracting investments in this area and is aimed at fulfilling certain tasks.

The development of the regional tourism industry in the regions covers economic relations with the countries of the world community in terms of the scope and nature of the economic reforms implemented in the country and requires the solution of specific problems. The place and role of tourism in the socio-economic development of countries is clearly visible in the case of economically developed countries, it is significantly manifested in the provision of foreign currency income to the country's treasury, employment of the population and many other processes.



**Figure 1. Investment attraction factors in tourism economy\***

\* The drawing is made by the author.

In the Republic of Uzbekistan, the region, in particular, in the regions of the Fergana Valley, is good in socio-economic development due to the development of the tourism market. is a country that can have results. The natural and climatic conditions of the valley, the presence of historical and cultural monuments, religious saints and shrines, mountain areas, many scenic spots, opportunities to meet relatives and trade, are considered a recreational resource for the influx of tourists to Fergana Valley. . However, it is not an exaggeration to say that the number of guests who plan to visit the regions rich in historical monuments in cities such as Fergana, Namangan, Andijan, Koqon, Margilon, Asaka, and Rishton is a large number. If the number of tourist products is increased and the service in hotels and other infrastructures of tourism is implemented at a high level, Uzbekistan can join the ranks of the countries that receive high income through the tourism market of the Fergana Valley in the future. Because, until now, its touristic potential is not used enough.

Therefore, the development of tourism processes in the Fergana Valley is extremely important in the country's economy, and its study, research, and effective use is one of the necessary tasks of the society. The formation of market economy relations further expands and enriches the possibilities of this sector. Establishing marketing in the tourism of the region, finding the undefined opportunities of tourism through it, as well as fighting for the market, is one of the conditions for the development of the economy in competitive conditions.

Attracting investments in tourism of the Fergana Valley has special features, based on the unique characteristics of this industry , it is desirable to bring the tourist complex that provides high efficiency and withstands competition to a state that meets the requirements of the present time, to use its

opportunities to a large extent. . The development of regional tourism in Uzbekistan is determined by the increasing attitude towards it from year to year. The possibilities of tourism in the formation of medium and small entrepreneurs are huge. Because the current economic stability in the conditions of Uzbekistan creates the possibility of rapid development of this sector. The most important factor in the country's development is social justice, humanity and peace, which makes it necessary to effectively use the processes of investment attraction in the development of international tourism .

Based on the conclusions and opinions stated above, the need to develop and improve tourism in the regions is felt. Therefore, we note that in order for Fergana Valley to have its place in the tourism market and taking into account its importance in the economy, regardless of the form of development of the tourism market of the region, it should be implemented first of all on the basis of direct assistance and support of the state. Currently, the development of organizational and economic mechanisms for attracting investments in the tourism sector, which is a part of the service network, is of great importance.

The concept of mechanism is the manifestation of production relations in an objective form, and in other cases it is considered as a method of economic management in practice. Generally, an economic mechanism is defined as the means by which the production process is set in motion, and any event related to production, service, income distribution, and exchange can be included in this framework.

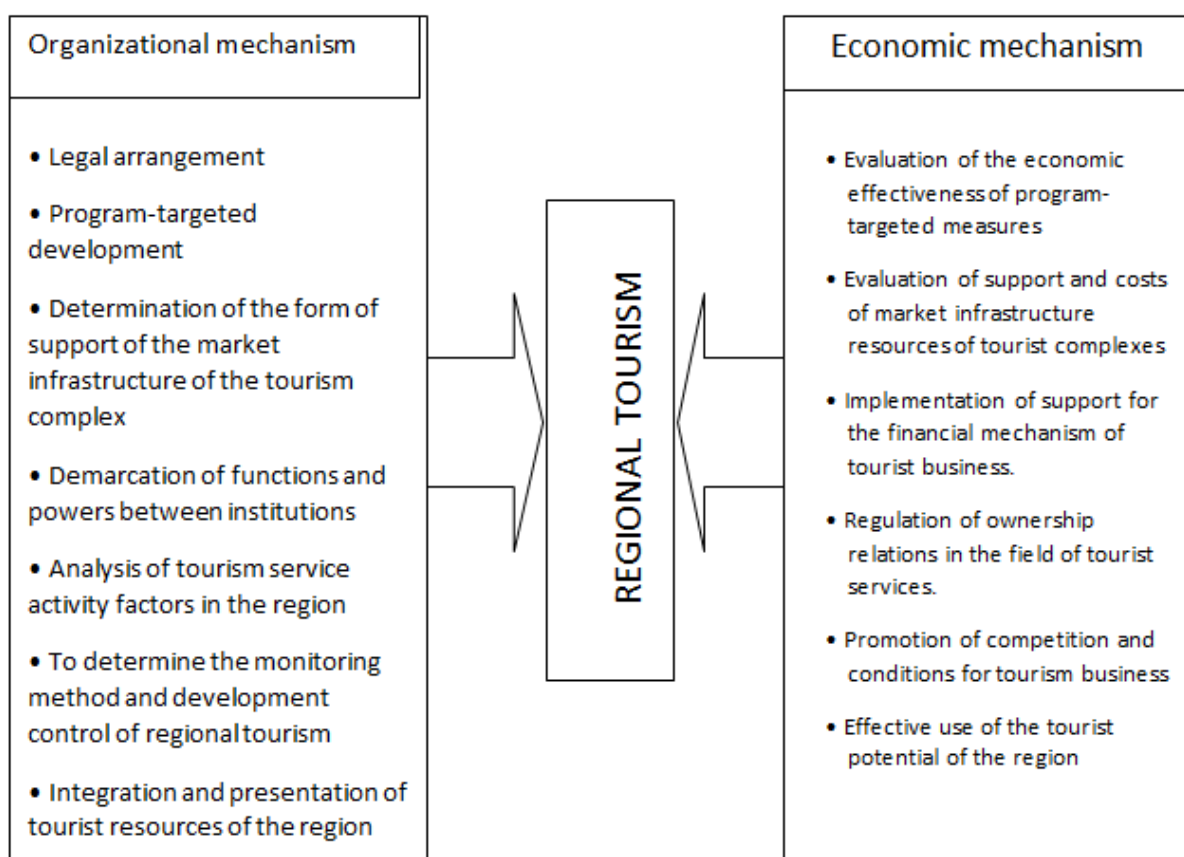
In general, the economic mechanism is manifested in the state of the management of the activities of economic entities based on the demand of the market economy, in accordance with the tasks of the government.

The tourism service market is a unique phenomenon, the sphere of influence of which is represented by the economic relations between the creator of the tourist product and the consumers. Each tourist product creator and consumer have their own economic goals, and these goals may not always coincide with each other, but when they do, the tourism product sales process takes place. The act of selling and buying a tourist product requires matching of purpose and profit. Therefore, the market serves as a means of coordinating the interaction of production and consumption. The tourism service market is a space that creates the activity of consumers-tourists who have the opportunity and need to purchase the products created by the business entity (tour operator, tour agent).

Based on this, the organizational and economic mechanism of attracting investments in the tourism sector is multifaceted, - the organizational mechanism is the attitude of the authorities to foreign investors, the level of speed in making decisions, freedom of information, the existence of conditions for the location and movement of products, capital and labor force. , as well as ethical and administrative qualities of entrepreneurs; population's attitude towards their own and foreign entrepreneurs, availability of working conditions for foreign specialists.

Its economic mechanism is economic growth, gross product, price-value, budget income, provision of non-budgetary funds per capita, the amount of deposits, the possibility of obtaining a loan in foreign currency, the level of bank interest, the development of interbank cooperation, the comparative value of long-term loans, loss consists of the share of working enterprises and so on. In this regard, it is important to clarify the ways of effective use of the organizational and economic mechanisms that are important for the development of the tourism complex.

The share of investment resources spent on tourism increased to 4.9% in the total volume of investments intended for economic sectors and sectors, which was recognized as one of the important tools in establishing the formation and development of the tourism complex in Uzbekistan. allowed to take over. More than 90% of the investment projects of "Uzbekturizm" MK were implemented at the expense of the enterprises' own funds.



**Figure 3. System of organizational and economic mechanisms of investment attraction in the development of tourism**

The development and expansion of the service sector plays an important role in increasing the number of jobs in the economy. In 2008, the fields of communication, information, finance, banking, transport services, household appliances and car repair developed at a much higher rate (Table 5).

As can be seen from the table, in the fields of financial and banking services and car repair and other technical services, tourism and travel services increased from 123.8% to 132.2%, from 138.7% to 139.2%, and from 122.3% to 126.3%, respectively. increased In other areas, there is a decrease in 2020 compared to 2019.

**Table 5. Growth rates of service and service sectors in Uzbekistan, in percentage compared to the previous year**

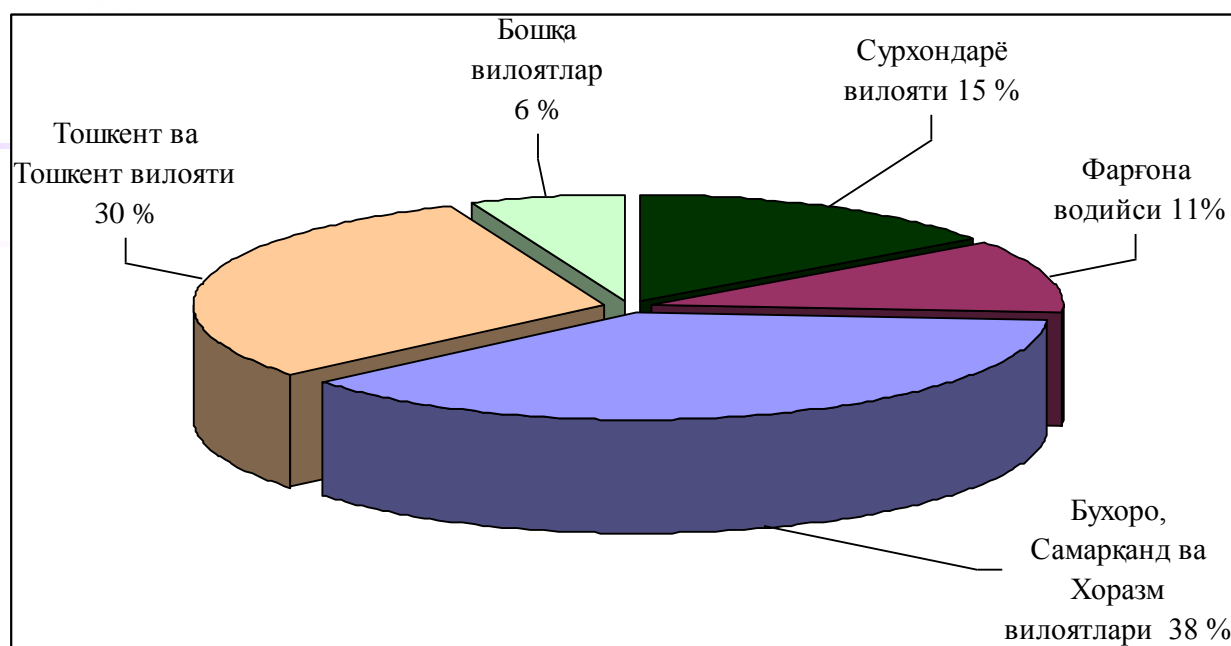
Service types	20 19 years	2020 year
Market services	126.6	121.0
Of this, trade and catering services	132.5	126.8
Transport services	121.1	112.7
Communication and information services	151.5	140.1
Finance and banking services	123.8	132.2
Tourist and travel services	122.3	126.3
Hotel services	133.5	122.5
Household and communal services	109.3	108.4
Car repair and other technical services	138.7	139.2
Other services	142.5	130.6



Entrepreneurship and private business can be done more in the field of tourism. Organization of such service depends on many objective and subjective factors and conditions. Services, private property, commodity-money or market relations, and legal-economic relations are the most important economic factors. Establishment of tourist companies and expansion of tourist services will ensure the development of small business and entrepreneurship.

International tourism business is one of the important industrial sectors of the world economy. Tourism, which is one of the factors of the integration of the Republic of Uzbekistan into the world community, also provides an opportunity to accelerate the growth of the national economy. The international tourism business, which is an important component of the world economy, is a specific field of foreign economic activity.

Today, regardless of organizational management, the role of tourism in the economy is of great importance. There are opportunities for consistent development of the tourism industry in Uzbekistan. For this reason, it is appropriate to organize local joint ventures and cooperative production of tourism products, to build tourism and service complexes by attracting foreign investments, and to take all measures for the development of tourism in the country in general. In this regard, paying attention to the share of tourism infrastructure by region (diagram 1), we note that 30% of the tourism potential of our Republic is located in the city of Tashkent and its region. The city has the opportunity to organize mainly historical tourism, business tourism, congress tourism, shop tourism, scientific tourism.



**Diagram 1. Tourism on the territory of Uzbekistan distribution of infrastructure**

The infrastructure of tourism improved a little especially during the years of independence, including several bridges were built and highways were repaired, which are also important, on the initiative of His Excellency President I.A. Karimov. The creative work being carried out in the regions is especially noteworthy. In particular, the hospitality of the people of the Fergana Valley, the preservation of handicrafts, homemaking, customs, and traditions passed down from one generation to another attract guests. Even now, foreign tourists are amazed by the fact that crafts such as cradle making, coppersmithing, embroidery, baking, and painting have been preserved by our people.

Nevertheless, tourists visiting our country spend most of their time in Tashkent. Because tourism infrastructure is very well formed in the city. A number of entertainment venues, theme parks, a botanical

garden, a zoo and the Tashkent-land resort have been serving tourists for several years. Famous museums: the State Museum of the History of the Timurids, the Museum of the History of Uzbekistan, the Museum of Folk Applied Arts, other museums of geology, railway, history, literature, archeology attract the attention of visitors to our city.

In the development of tourism in the Fergana Valley, mainly domestic, that is, national, regional and local tourism is of great importance. In this regard, supporting the visit of tourists from neighboring regions and regions is also considered one of the important tasks. Creating conditions for them is one of the main issues. In addition, it is extremely important to recommend the opening of small towns providing cultural and household services to tourists, to turn pilgrimage sites into travel destinations based on their full potential, not only in terms of spiritual and material importance, but also in relation to our own history and values, as well as to our generations in pilgrimage sites. This creates great opportunities for us to realize our identity.

In conclusion, we can say that the cities of Andijan, Namangan and Ferghana, as one of the centers of world civilization, are distinguished by their natural and recreational resources, along with being a center of secular and religious knowledge, spirituality, enlightenment and culture. This is important for attracting tourists.

In our opinion, in order to increase the flow of tourists, to further improve the quality of services to tourists, to improve the qualifications of necessary specialists and personnel in the field of tourism, to organize regular promotional activities aimed at opening up the city's tourism opportunities, we hope that it will be appropriate and will lead to the intended results.

In these processes, it is necessary to make effective use of the investment environment, and the establishment of the Fund for the Development and Reconstruction of the Republic of Uzbekistan was a serious step in increasing the efficiency of the implementation of investment projects in the field of tourism. The main tasks of the fund are, first of all, the implementation of projects on modernization and technical rearmament of the leading, core sectors of the economy, ensuring the country's sustainable socio-economic development, as well as the implementation of an effective structural and investment policy.

we will be able to solve many tasks related to the establishment of a developed market economy . Its implementation not only ensures the establishment of additional activities and production, but also serves to increase the well-being of the population and increase the wealth of the state, as well as increase its economic power.

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